

ASSEMBLY BILL

No. 1754

**Introduced by Committee on Housing and Community
Development (Mullin (Chair), Garcia (Vice Chair), Baca,
Hancock, La Suer, Salinas, and Torrico)**

March 14, 2005

An act to amend Section 51350 of the Health and Safety Code,
relating to the California Housing Finance Agency.

LEGISLATIVE COUNSEL'S DIGEST

AB 1754, as introduced, Committee on Housing and Community
Development. California Housing Finance Agency.

Under existing law, the California Housing Finance Agency has, as
its primary purpose, meeting the housing needs of persons and
families of low or moderate income. Existing law authorizes the
agency to issue bonds in the principal amount that the agency
determines necessary to provide sufficient funds for financing housing
developments and other residential structures, the payment of interest
on bonds of the agency, the establishment of reserves, and other
expenditures of the agency incident to issuance of the bonds.

This bill would authorize the agency to issue bonds for the purpose
of making loans to local public entities, and for the purposes of the
agency, pursuant to specified provisions of existing law.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 51350 of the Health and Safety Code is
- 2 amended to read:

1 51350. (a) The agency may, from time to time, issue its
2 bonds in the principal amount ~~which~~ *that* the agency determines
3 necessary to provide sufficient funds for financing housing
4 developments and other residential structures ~~and for~~, the
5 payment of interest on bonds of the agency, *the* establishment of
6 reserves to secure the bonds, ~~and the payment of~~ other
7 expenditures of the agency incident to, and necessary or
8 convenient to, issuance of the bonds, *and for the other purposes*
9 *provided by Sections 51065.5 and 51365.*

10 (b) (1) Sale of the bonds of the agency shall be coordinated by
11 the Treasurer. To obtain a date for the sale of bonds, the agency
12 shall inform the Treasurer of the amount of the proposed issue.
13 Upon that notification, the Treasurer shall provide three 10-day
14 periods, within the 90 days next following, when the bonds can
15 be sold. The agency may choose any date during the suggested
16 periods or any other date to which the agency and the Treasurer
17 have mutually agreed. The Treasurer shall sell the bonds on the
18 date chosen according to terms approved by the agency.

19 (2) The agency shall exercise its powers with due regard for
20 the right of the holders of bonds of the agency at any time
21 outstanding, and nothing in, or done pursuant to, this section
22 shall in any way limit, restrict, or alter the obligation or powers
23 of the agency or any member, officer, or representative of the
24 agency or the Treasurer to carry out and perform in every detail
25 each and every covenant, agreement, or contract at any time
26 made or entered into on behalf of the agency with respect to its
27 bonds or its benefits, or the security of the holders of the bonds.

28 (c) Except as provided in subdivisions (d), ~~(e), (f), (g), and (h),~~
29 *to (h), inclusive*, the aggregate principal amount of bonds ~~which~~
30 *that* may be outstanding at any time pursuant to this part shall not
31 exceed seven hundred fifty million dollars (\$750,000,000),
32 exclusive of the principal indebtedness of bonds issued to refund
33 or renew previously issued bonds of the agency, to the extent of
34 the outstanding principal indebtedness of the previously issued
35 bonds and any redemption premium thereon and any interest
36 accrued or to accrue to the date of redemption of the bonds,
37 during the period in which both the previously issued bonds and
38 the refunding or renewal bonds are outstanding.

39 (d) Effective January 1, 1980, the aggregate principal amount
40 of bonds ~~which~~ *that* may be outstanding at any time pursuant to

1 this part shall be increased by seven hundred fifty million dollars
2 (\$750,000,000), exclusive of (1) bonds previously authorized
3 pursuant to subdivision (c), and (2) the principal indebtedness of
4 bonds issued to refund or renew bonds of the agency previously
5 issued under the authority of this subdivision, but only to the
6 extent of the outstanding principal indebtedness of the previously
7 issued bonds and any redemption premium thereon and any
8 interest accrued or to accrue to the date of redemption of the
9 bonds, during the period in which both the previously issued
10 bonds and the refunding or renewal bonds are outstanding.

11 (e) Effective January 1, 1983, the aggregate principal amount
12 of bonds ~~which~~ *that* may be outstanding at any time pursuant to
13 this part shall be additionally increased by three hundred fifty
14 million dollars (\$350,000,000) exclusive of (1) bonds previously
15 authorized pursuant to subdivision (c) or (d), and (2) the principal
16 indebtedness of bonds issued to refund or renew bonds of the
17 agency previously issued under the authority of this subdivision,
18 but only to the extent of the outstanding principal indebtedness of
19 the previously issued bonds and any redemption premium
20 thereon and any interest accrued or to accrue to the date of the
21 redemption of the bonds, during the period in which both the
22 previously issued bonds and the refunding or renewal bonds are
23 outstanding.

24 (f) Effective January 1, 1984, the aggregate principal amount
25 of bonds ~~which~~ *that* may be outstanding at any time pursuant to
26 this part shall be additionally increased by five hundred million
27 dollars (\$500,000,000), exclusive of (1) bonds previously
28 authorized pursuant to ~~subdivision (c), (d), or (e)~~ *any of*
29 *subdivisions (c) to (e), inclusive*, and (2) the principal
30 indebtedness of bonds issued to refund or renew bonds of the
31 agency previously issued under the authority of this subdivision,
32 but only to the extent of the outstanding principal indebtedness of
33 the previously issued bonds and any redemption premium
34 thereon and any interest accrued or to accrue to the date of the
35 redemption of the bonds, during the period in which both the
36 previously issued bonds and the refunding or renewal bonds are
37 outstanding.

38 (g) On the effective date of the amendments to this section
39 enacted by the Statutes of 1985, the aggregate principal amount
40 of bonds ~~which~~ *that* may be outstanding at any time pursuant to

1 this part shall be additionally increased by six hundred million
2 dollars (\$600,000,000), exclusive of (1) bonds previously
3 authorized pursuant to ~~subdivision (c), (d), (e), or (f) any of~~
4 ~~subdivisions (c) to (f), inclusive~~, and (2) the principal
5 indebtedness of bonds issued to refund or renew bonds of the
6 agency previously issued under the authority of this subdivision,
7 but only to the extent of the outstanding principal indebtedness of
8 the previously issued bonds and any redemption premium
9 thereon and any interest accrued or to accrue to the date of the
10 redemption of the bonds, during the period in which both the
11 previously issued bonds and the refunding or renewal bonds are
12 outstanding.

13 (h) On the effective date of the amendments to this section
14 enacted by the Statutes of 1985, the aggregate principal amount
15 of bonds ~~which~~ *that* may be outstanding at any time pursuant to
16 this part shall be additionally increased by six hundred million
17 dollars (\$600,000,000), exclusive of (1) bonds previously
18 authorized pursuant to ~~subdivision (c), (d), (e), (f), or (g) any of~~
19 ~~subdivisions (c) to (g), inclusive~~, and (2) the principal
20 indebtedness of bonds issued to refund or renew bonds of the
21 agency previously issued under the authority of this subdivision,
22 but only to the extent of the outstanding principal indebtedness of
23 the previously issued bonds and any redemption premium
24 thereon and any interest accrued or to accrue to the date of the
25 redemption of the bonds, during the period in which both the
26 previously issued bonds and the refunding or renewal bonds are
27 outstanding.

28 (i) Effective September 4, 1990, the aggregate principal
29 amount of bonds ~~which~~ *that* may be outstanding at any one time
30 pursuant to this part shall be additionally increased by nine
31 hundred million dollars (\$900,000,000), exclusive of the
32 following: (1) bonds previously authorized pursuant to
33 ~~subdivision (c), (d), (e), (f), (g), or (h) any of subdivisions (c) to~~
34 ~~(h), inclusive~~, and (2) the principal indebtedness of bonds issued
35 to refund or renew bonds of the agency previously issued under
36 the authority of this subdivision, but only to the extent of the
37 outstanding principal indebtedness of the previously issued bonds
38 and any redemption premium thereon and any interest accrued or
39 to accrue to the date of the redemption of the bonds, during the

1 period in which both the previously issued bonds and the
2 refunding or renewal bonds are outstanding.

3 (j) On the effective date of the amendments to this section
4 which ~~add~~ added this subdivision, the aggregate principal amount
5 of bonds ~~which~~ that may be outstanding at any one time pursuant
6 to this part shall be additionally increased by nine hundred
7 million dollars (\$900,000,000), exclusive of the following: (1)
8 bonds previously authorized pursuant to ~~subdivision (e), (d), (e),~~
9 ~~(f), (g), (h), or (i)~~ *any of subdivisions (c) to (i), inclusive*, and (2)
10 the principal indebtedness of bonds issued to refund or renew
11 bonds of the agency previously issued under the authority of this
12 subdivision, but only to the extent of the outstanding principal
13 indebtedness of the previously issued bonds and any redemption
14 premium thereon and any interest accrued or to accrue to the date
15 of the redemption of the bonds, during the period in which both
16 the previously issued bonds and the refunding or renewal bonds
17 are outstanding.

18 (k) Effective January 1, 1998, the aggregate principal amount
19 of bonds ~~which~~ that may be outstanding at any one time pursuant
20 to this part shall be additionally increased by one billion four
21 hundred million dollars (\$1,400,000,000), exclusive of: (1) bonds
22 previously authorized pursuant to ~~subdivision (e), (d), (e), (f),~~
23 ~~(g), (h), (i), or (j)~~ *any of subdivisions (c) to (j), inclusive*, and (2)
24 the principal indebtedness of bonds issued to refund or renew
25 bonds of the agency previously issued under the authority of this
26 subdivision, but only to the extent of the outstanding principal
27 indebtedness of the previously issued bonds and any redemption
28 premium thereon and any interest accrued or to accrue to the date
29 of the redemption of the bonds, during the period in which both
30 the previously issued bonds and the refunding or renewal bonds
31 are outstanding.

32 (l) Effective January 1, 2000, the aggregate principal amount
33 of bonds that may be outstanding at any one time pursuant to this
34 part shall be additionally increased by two billion two hundred
35 million dollars (\$2,200,000,000), exclusive of: (1) bonds
36 previously authorized pursuant to *any of subdivisions (c) to (k),*
37 *inclusive*, and (2) the principal indebtedness of bonds issued to
38 refund or renew bonds of the agency previously issued under the
39 authority of this subdivision, but only to the extent of the
40 outstanding principal indebtedness of the previously issued bonds

1 and any redemption premium thereon and any interest accrued or
2 to accrue to the date of the redemption of the bonds, during the
3 period in which both the previously issued bonds and the
4 refunding or renewal bonds are outstanding.

5 (m) Effective January 1, 2002, the aggregate principal amount
6 of bonds that may be outstanding at any one time pursuant to this
7 part shall be increased by two billion two hundred million dollars
8 (\$2,200,000,000), exclusive of (1) bonds previously authorized
9 pursuant to *any of* subdivisions (c) to (l), inclusive, and (2) the
10 principal indebtedness of bonds issued to refund or renew bonds
11 of the agency previously issued under the authority of this
12 subdivision, but only to the extent of the outstanding principal
13 indebtedness of the previously issued bonds and any redemption
14 premium thereon and any interest accrued or to accrue to the date
15 of the redemption of the bonds, during the period in which both
16 the previously issued bonds and the refunding or renewal bonds
17 are outstanding.